

1 **DIVISION E—MEETING THE**
2 **CHINA CHALLENGE ACT OF 2021**

3 **SEC. 5001. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This division may be cited as the
5 “Meeting the China Challenge Act of 2021”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this division is as follows:

Sec. 5001. Short title; table of contents.

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Sec. 5306. Report on economic and national security implications of changes to cross-border payment and financial messaging systems.

Sec. 5307. Report on development and utilization of dual-use technologies by the Government of the People's Republic of China.

Sec. 5308. Report on currency issues with respect to the People's Republic of China.

Sec. 5309. Report on exposure of the United States to the financial system of the People's Republic of China.

Sec. 5310. Report on investment reciprocity between the United States and the People's Republic of China.

1 **TITLE I—FINANCIAL SERVICES**

2 **SEC. 5101. FINDINGS ON TRANSPARENCY AND DISCLOSURE;**

3 **SENSE OF CONGRESS.**

4 (a) FINDINGS.—Congress finds the following:

5 (1) More than 2,000,000 corporations, limited
6 liability companies, and other similar entities are
7 formed under the laws of the States each year and
8 some of those 2,000,000 entities are formed by per-
9 sons outside of the United States, including by per-
10 sons in the People's Republic of China.

11 (2) Most or all States do not require informa-
12 tion about the beneficial owners of the corporations,

1 limited liability companies, or other similar entities
2 formed under the laws of the State.

3 (3) Malign actors seek to conceal their owner-
4 ship of corporations, limited liability companies, or
5 other similar entities in the United States to facili-
6 tate illicit activity, including money laundering, the
7 financing of terrorism, proliferation financing, seri-
8 ous tax fraud, human and drug trafficking, counter-
9 feiting, piracy, securities fraud, financial fraud, eco-
10 nomic espionage, theft of intellectual property, and
11 acts of foreign corruption, which harm the national
12 security interests of the United States and allies of
13 the United States.

14 (4) National security, intelligence, and law en-
15 forcement investigations have consistently been im-
16 peded by an inability to reliably and promptly obtain
17 information identifying the persons that ultimately
18 own corporations, limited liability companies, or
19 other similar entities suspected of engaging in illicit
20 activity, as documented in reports and testimony by
21 officials from the Department of Justice, the De-
22 partment of Homeland Security, the Department of
23 the Treasury, the Government Accountability Office,
24 and other agencies.

1 (5) In the National Strategy for Combating
2 Terrorist and Other Illicit Financing, issued in
3 2020, the Department of the Treasury found the fol-
4 lowing: “Misuse of legal entities to hide a criminal
5 beneficial owner or illegal source of funds continues
6 to be a common, if not the dominant, feature of il-
7 licit finance schemes, especially those involving
8 money laundering, predicate offences, tax evasion,
9 and proliferation financing.”.

10 (6) Federal legislation, including the Anti-
11 Money Laundering Act of 2020 (division F of Public
12 Law 116–283) and the Corporate Transparency Act
13 (title LXIV of division F of Public Law 116–283),
14 combating the crime of money laundering and pro-
15 viding for the collection of beneficial ownership in-
16 formation by the Financial Crimes Enforcement
17 Network of the Department of the Treasury (re-
18 ferred to in this section as “FinCEN”) with respect
19 to corporations, limited liability companies, or other
20 similar entities formed under the laws of the States
21 has recently been enacted to—

22 (A) set a clear Federal standard for incor-
23 poration practices;

24 (B) better enable critical national security,
25 intelligence, and law enforcement efforts to

1 identify and counter money laundering, the fi-
2 nancing of terrorism, and other illicit activity;
3 and

4 (C) bring the United States into compli-
5 ance with international standards with respect
6 to anti-money laundering and countering the fi-
7 nancing of terrorism.

8 (7) Providing beneficial ownership information
9 to FinCEN is especially important in cases in which
10 foreign firms, including those in the People's Repub-
11 lic of China or subject to the jurisdiction of the Peo-
12 ple's Republic of China, seek to acquire United
13 States firms and the valuable intellectual property of
14 those firms in a manner that poses a threat to the
15 national security of the United States.

16 (b) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that the Secretary of the Treasury should implement
18 the Anti-Money Laundering Act of 2020 (division F of
19 Public Law 116–283), including the Corporate Trans-
20 parency Act (title LXIV of division F of Public Law 116–
21 283), within the timelines required under those Acts, in-
22 cluding the elements of those Acts designed to enhance
23 the ability of financial services providers to adopt and im-
24 plement anti-money laundering best practices, mitigate
25 burdens on small businesses, ensure the security of bene-

1 ficial ownership information as provided for by those Acts,
2 and address specific concerns relating to abuses of anony-
3 mous shell companies by Chinese entities and the Govern-
4 ment of the People’s Republic of China.

5 **SEC. 5102. ESTABLISHMENT OF INTERAGENCY TASK FORCE**
6 **TO ADDRESS CHINESE MARKET MANIPULA-**
7 **TION IN THE UNITED STATES.**

8 (a) IN GENERAL.—The Department of Justice, the
9 Federal Trade Commission, the Department of the Treas-
10 ury, and such other Federal agencies as the President de-
11 termines appropriate shall establish a joint interagency
12 task force to investigate allegations of systemic market
13 manipulation and other potential violations of antitrust
14 and competition laws in the United States by companies
15 established in the People’s Republic of China, including
16 allegations of efforts to illegally capture market share, fix
17 or manipulate prices, and control the supply of goods in
18 critical industries of the United States, including—

19 (1) the pharmaceutical and medical devices in-
20 dustry;

21 (2) the renewable energy industry;

22 (3) the steel and aluminum industries; and

23 (4) such other industries as the task force con-
24 siders appropriate.

1 (b) REPORT.—Not later than 180 days after the date
2 of enactment of this Act, the President shall provide to
3 the appropriate congressional committees—

4 (1) a briefing on the progress of the inter-
5 agency task force and its findings as described in
6 subsection (a); and

7 (2) recommendations to the committees on po-
8 tential amendments to antitrust and competition
9 laws in the United States that would strengthen the
10 ability of United States antitrust enforcement agen-
11 cies to bring actions against anticompetitive business
12 practices by Chinese companies.

13 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
14 FINED.—In this section, the term “appropriate congres-
15 sional committees” means—

16 (1) the Committee on Banking, Housing, and
17 Urban Affairs, the Committee on Foreign Relations,
18 the Committee on Finance, the Committee on the
19 Judiciary, and the Committee on Commerce,
20 Science, and Transportation of the Senate; and

21 (2) the Committee on Financial Services, the
22 Committee on Foreign Affairs, the Committee on
23 Ways and Means, the Committee on the Judiciary,
24 and the Committee on Energy and Commerce of the
25 House of Representatives.

1 **SEC. 5103. EXPANSION OF STUDY AND STRATEGY ON**
2 **MONEY LAUNDERING BY THE PEOPLE’S RE-**
3 **PUBLIC OF CHINA TO INCLUDE RISKS OF**
4 **CONTRIBUTING TO CORRUPTION.**

5 (a) **IN GENERAL.**—Section 6507 of the Anti-Money
6 Laundering Act of 2020 (division F of Public Law 116–
7 283) is amended—

8 (1) in subsection (a)—

9 (A) in paragraph (3), by striking “; and”
10 and inserting a semicolon;

11 (B) in paragraph (4), by striking the pe-
12 riod at the end and inserting “; and”; and

13 (C) by adding at the end the following:

14 “(5) the ways in which such increased illicit fi-
15 nance risks may contribute to corruption involving
16 Chinese firms and a strategy to combat such corrup-
17 tion.”; and

18 (2) in subsection (b), by inserting “and corrup-
19 tion” after “activities”.

20 (b) **EFFECTIVE DATE.**—The amendments made by
21 subsection (a) shall take effect as if included in the enact-
22 ment of the Anti-Money Laundering Act of 2020 (division
23 F of Public Law 116–283).

1 **SEC. 5104. STATEMENT OF POLICY TO ENCOURAGE THE DE-**
2 **VELOPMENT OF A CORPORATE CODE OF**
3 **CONDUCT FOR COUNTERING MALIGN INFLU-**
4 **ENCE IN THE PRIVATE SECTOR.**

5 It is the policy of the United States—

6 (1) to support business practices that are open,
7 transparent, respect workers' rights, and are envi-
8 ronmentally conscious;

9 (2) to reaffirm the commitment of the United
10 States to economic freedom, which is the bedrock of
11 the United States economy and enables anyone in
12 the United States to freely conduct business and
13 pursue the American dream;

14 (3) to support freedom of expression for all peo-
15 ple;

16 (4) to promote the security of United States
17 supply chains and United States businesses against
18 malign foreign influence;

19 (5) to welcome and commit to supporting busi-
20 ness people from the People's Republic of China who
21 are in the United States to pursue the American
22 dream, free from restrictions and surveillance, in-
23 cluding freedom of inquiry and freedom of expres-
24 sion, that may be proscribed or restricted in the
25 People's Republic of China;

1 (6) to condemn and oppose xenophobia and ra-
2 cial discrimination in any form, including against
3 Chinese businesspeople, entrepreneurs, and visitors
4 in the United States;

5 (7) to recognize the threats posed to economic
6 freedom and freedom of expression by the Govern-
7 ment of the People's Republic of China, which are
8 seeking to influence and interfere with United States
9 businesses and distort United States markets for the
10 gain of the People's Republic of China, either di-
11 rectly or indirectly;

12 (8) to condemn the practice by the Government
13 of the People's Republic of China of—

14 (A) direct and indirect surveillance and
15 censorship and acts of retaliation by officials of
16 that Government or their agents against
17 businesspeople, entrepreneurs, and Chinese stu-
18 dents and scholars; or

19 (B) harassment of their family members in
20 the People's Republic of China;

21 (9) to encourage United States businesses that
22 conduct substantial business with or in the People's
23 Republic of China to collectively develop and commit
24 to using best practices to ensure that their business

1 in or with the People’s Republic of China is con-
2 sistent with the policies of the United States; and

3 (10) to specifically encourage United States
4 businesses to develop and agree to a code of conduct
5 for business with or in the People’s Republic of
6 China, pursuant to which a United States business
7 would commit—

8 (A) to protect the free speech rights of its
9 employees to, in their personal capacities, ex-
10 press views on global issues without fear that
11 pressure from the Government of the People’s
12 Republic of China would result in them being
13 retaliated against by the business;

14 (B) to ensure that products and services
15 made by the business and sold in the People’s
16 Republic of China do not enable the Govern-
17 ment of the People’s Republic of China to un-
18 dermine fundamental rights and freedoms, for
19 example by facilitating repression and censor-
20 ship;

21 (C) to maintain robust due diligence pro-
22 grams to ensure that the business is not engag-
23 ing in business with—

24 (i) the military of the People’s Repub-
25 lic of China;

1 (ii) any Chinese entity subject to
2 United States export controls without a re-
3 quired license; or

4 (iii) any other Chinese actor that en-
5 gages in conduct prohibited by the law of
6 the United States;

7 (D) to disclose publicly any funding or
8 support received from Chinese diplomatic mis-
9 sions or other entities linked to the Government
10 of the People's Republic of China;

11 (E) to help mentor and support business
12 people and entrepreneurs from the People's Re-
13 public of China to ensure that they can enjoy
14 full economic freedom;

15 (F) to ensure that employees of the busi-
16 ness in the People's Republic of China are not
17 subject to undue influence by the Government
18 of the People's Republic of China at their work-
19 place; and

20 (G) to ensure that agreements and prac-
21 tices of the business in the People's Republic of
22 China ensure the protection of intellectual prop-
23 erty.

1 **TITLE II—PROTECTING UNITED**
2 **STATES NATIONAL SECURITY**
3 **Subtitle A—Sanctions With Respect**
4 **to People’s Republic of China**

5 **SEC. 5201. DEFINITIONS.**

6 In this subtitle:

7 (1) **ADMISSION; ADMITTED; ALIEN; LAWFULLY**
8 **ADMITTED FOR PERMANENT RESIDENCE.**—The
9 terms “admission”, “admitted”, “alien”, and “law-
10 fully admitted for permanent residence” have the
11 meanings given those terms in section 101 of the
12 Immigration and Nationality Act (8 U.S.C. 1101).

13 (2) **APPROPRIATE CONGRESSIONAL COMMIT-**
14 **TEES.**—The term “appropriate congressional com-
15 mittees” means—

16 (A) the Committee on Banking, Housing,
17 and Urban Affairs and the Committee on For-
18 eign Relations of the Senate; and

19 (B) the Committee on Financial Services
20 and the Committee on Foreign Affairs of the
21 House of Representatives.

22 (3) **CHINESE ENTITY.**—The term “Chinese en-
23 tity” means an entity organized under the laws of or
24 otherwise subject to the jurisdiction of the People’s
25 Republic of China.

1 (4) ENTITY.—The term “entity” means a part-
2 nership, association, trust, joint venture, corpora-
3 tion, group, subgroup, or other organization.

4 (5) FOREIGN PERSON.—The term “foreign per-
5 son” means any person that is not a United States
6 person.

7 (6) KNOWINGLY.—The term “knowingly”, with
8 respect to conduct, a circumstance, or a result,
9 means that a person has actual knowledge, or should
10 have known, of the conduct, the circumstance, or the
11 result.

12 (7) PERSON.—The term “person” means an in-
13 dividual or entity.

14 (8) UNITED STATES PERSON.—The term
15 “United States person” means—

16 (A) a United States citizen or an alien law-
17 fully admitted for permanent residence to the
18 United States;

19 (B) an entity organized under the laws of
20 the United States or of any jurisdiction within
21 the United States, including a foreign branch of
22 such an entity; or

23 (C) any person in the United States.

1 **SEC. 5202. USE OF SANCTIONS AUTHORITIES WITH RE-**
2 **SPECT TO THE PEOPLE'S REPUBLIC OF**
3 **CHINA.**

4 (a) FINDINGS.—Congress makes the following find-
5 ings:

6 (1) Congress has provided the President with a
7 broad range of tough authorities to impose sanctions
8 to address malign behavior by the Government of
9 the People's Republic of China and individuals and
10 entities in the People's Republic of China, including
11 individuals and entities engaging in—

12 (A) intellectual property theft;

13 (B) cyber-related economic espionage;

14 (C) repression of ethnic minorities;

15 (D) the use of forced labor and other
16 human rights abuses;

17 (E) abuses of the international trading sys-
18 tem;

19 (F) illicit assistance to and trade with the
20 Government of North Korea; and

21 (G) drug trafficking, including trafficking
22 in fentanyl and other opioids.

23 (2) Congress has in many cases mandated the
24 imposition of sanctions and other measures with re-
25 spect to individuals and entities identified as respon-
26 sible for such behavior.

1 (b) RECOMMENDATION TO USE AUTHORITIES.—

2 (1) IN GENERAL.—The President should use
3 the full range of authorities available to the Presi-
4 dent, including the authorities described in para-
5 graph (2) to impose sanctions and other measures to
6 combat malign behavior by the Government of the
7 People’s Republic of China, entities owned or con-
8 trolled by that Government, and other Chinese indi-
9 viduals and entities responsible for such behavior.

10 (2) AUTHORITIES DESCRIBED.—The authorities
11 described in this paragraph include the following:

12 (A) The Global Magnitsky Human Rights
13 Accountability Act (subtitle F of title XII of
14 Public Law 114–328; 22 U.S.C. 2656 note).

15 (B) Section 1637 of the Carl Levin and
16 Howard P. “Buck” McKeon National Defense
17 Authorization Act for Fiscal Year 2015 (50
18 U.S.C. 1708) (relating to addressing economic
19 and industrial espionage in cyberspace).

20 (C) The Fentanyl Sanctions Act (21
21 U.S.C. 2301 et seq.).

22 (D) The Hong Kong Autonomy Act (Pub-
23 lic Law 116–149; 22 U.S.C. 5701 note) (relat-
24 ing to the imposition of sanctions with respect
25 to the erosion of certain obligations of the Peo-

1 ple’s Republic of China with respect to Hong
2 Kong).

3 (E) Section 7 of the Hong Kong Human
4 Rights and Democracy Act of 2019 (Public
5 Law 116–76; 22 U.S.C. 5701 note) (relating to
6 the imposition of sanctions relating to under-
7 mining fundamental freedoms and autonomy in
8 Hong Kong).

9 (F) Section 6 of the Uyghur Human
10 Rights Policy Act of 2020 (Public Law 116–
11 145; 22 U.S.C. 6901 note) (relating to the im-
12 position of sanctions with respect to violations
13 of human rights of minority groups in the
14 Xinjiang Uyghur Autonomous Region).

15 (G) The Export Control Reform Act of
16 2018 (50 U.S.C. 4801 et seq.) (relating to the
17 imposition of new export controls).

18 (H) Export control measures required to
19 be maintained with respect to entities in the
20 telecommunications sector of the People’s Re-
21 public of China, including under section 1260I
22 of the National Defense Authorization Act for
23 Fiscal Year 2020 (Public Law 116–92; 133
24 Stat. 1687) (relating to limiting the removal of

1 Huawei Technologies Co. Ltd. from the entity
2 list of the Bureau of Industry and Security).

3 (I) Section 889(a)(1)(B) of the John S.
4 McCain National Defense Authorization Act for
5 Fiscal Year 2019 (Public Law 115–232; 41
6 U.S.C. 3901 note prec.) (relating to a prohibi-
7 tion on Federal Government contracts with en-
8 tities that use telecommunications equipment or
9 services produced by certain Chinese entities).

10 (J) The North Korea Sanctions and Policy
11 Enhancement Act of 2016 (22 U.S.C. 9201 et
12 seq.), including the amendments made to that
13 Act by the Otto Warmbier North Korea Nu-
14 clear Sanctions and Enforcement Act of 2019
15 (title LXXI of Public Law 116–92; 22 U.S.C.
16 9201 note).

17 (K) Section 73 of the Bretton Woods
18 Agreements Act (22 U.S.C. 286yy), as added
19 by section 7124 of the Otto Warmbier North
20 Korea Nuclear Sanctions and Enforcement Act
21 of 2019 (title LXXI of Public Law 116–92; 22
22 U.S.C. 9201 note).

1 **SEC. 5203. IMPOSITION OF SANCTIONS WITH RESPECT TO**
2 **ACTIVITIES OF THE PEOPLE'S REPUBLIC OF**
3 **CHINA UNDERMINING CYBERSECURITY, IN-**
4 **CLUDING CYBER ATTACKS ON UNITED**
5 **STATES GOVERNMENT OR PRIVATE SECTOR**
6 **NETWORKS.**

7 (a) IN GENERAL.—On and after the date that is 180
8 days after the date of the enactment of this Act, and not
9 less frequently than annually thereafter, the President
10 shall—

11 (1) identify each foreign person that the Presi-
12 dent determines—

13 (A) knowingly engages in significant activi-
14 ties undermining cybersecurity against any per-
15 son, including a democratic institution, or gov-
16 ernmental entity on behalf of the Government
17 of the People's Republic of China;

18 (B) is owned or controlled by, or acts or
19 purports to act for or on behalf of, directly or
20 indirectly, a person described in subparagraph
21 (A); or

22 (C) knowingly materially assists, sponsors,
23 or provides financial, material, or technological
24 support for, or goods or services in support
25 of—

1 (i) an activity described in subpara-
2 graph (A); or

3 (ii) a person described in subpara-
4 graph (A) or (B) the property and inter-
5 ests in property of which are blocked pur-
6 suant to this section;

7 (2) impose the sanctions described in subsection
8 (b) with respect to each individual identified under
9 paragraph (1); and

10 (3) impose 5 or more of the sanctions described
11 in subsection (c) with respect to each entity identi-
12 fied under paragraph (1).

13 (b) SANCTIONS FOR ENGAGING IN SIGNIFICANT AC-
14 TIVITIES UNDERMINING CYBERSECURITY.—The sanctions
15 to be imposed under subsection (a)(2) with respect to an
16 individual are the following:

17 (1) BLOCKING OF PROPERTY.—The exercise of
18 all powers granted to the President by the Inter-
19 national Emergency Economic Powers Act (50
20 U.S.C. 1701 et seq.) to the extent necessary to block
21 and prohibit all transactions in all property and in-
22 terests in property of the individual if such property
23 and interests in property are in the United States,
24 come within the United States, or are or come with-

1 in the possession or control of a United States per-
2 son.

3 (2) INELIGIBILITY FOR VISAS, ADMISSION, OR
4 PAROLE.—

5 (A) VISAS, ADMISSION, OR PAROLE.—An
6 alien described in subsection (a)(1) is—

7 (i) inadmissible to the United States;

8 (ii) ineligible to receive a visa or other
9 documentation to enter the United States;

10 and

11 (iii) otherwise ineligible to be admitted
12 or paroled into the United States or to re-
13 ceive any other benefit under the Immigra-
14 tion and Nationality Act (8 U.S.C. 1101 et
15 seq.).

16 (B) CURRENT VISAS REVOKED.—

17 (i) IN GENERAL.—An alien described
18 in subsection (a)(1) is subject to revocation
19 of any visa or other entry documentation
20 regardless of when the visa or other entry
21 documentation is or was issued.

22 (ii) IMMEDIATE EFFECT.—A revoca-
23 tion under clause (i) shall—

24 (I) take effect pursuant to sec-
25 tion 221(i) of the Immigration and

1 Nationality Act (8 U.S.C. 1201(i));
2 and

3 (II) cancel any other valid visa or
4 entry documentation that is in the
5 alien's possession.

6 (c) SANCTIONS FOR ENTITIES ENGAGING OR ASSIST-
7 ING SIGNIFICANT ACTIVITIES UNDERMINING CYBERSECU-
8 RITY.—The sanctions to be imposed under subsection
9 (a)(3) with respect to an entity are the following:

10 (1) EXPORT-IMPORT BANK ASSISTANCE FOR
11 EXPORTS TO SANCTIONED PERSONS.—The President
12 may direct the Export-Import Bank of the United
13 States not to give approval to the issuance of any
14 guarantee, insurance, extension of credit, or partici-
15 pation in the extension of credit in connection with
16 the export of any goods or services to the entity.

17 (2) EXPORT SANCTION.—The President may
18 order the United States Government not to issue
19 any specific license and not to grant any other spe-
20 cific permission or authority to export any goods or
21 technology to the entity under—

22 (A) the Export Control Reform Act of
23 2018 (50 U.S.C. 4801 et seq.);

24 (B) the Arms Export Control Act (22
25 U.S.C. 2751 et seq.);

1 (C) the Atomic Energy Act of 1954 (42
2 U.S.C. 2011 et seq.); or

3 (D) any other statute that requires the
4 prior review and approval of the United States
5 Government as a condition for the export or re-
6 export of goods or services.

7 (3) LOANS FROM UNITED STATES FINANCIAL
8 INSTITUTIONS.—The President may prohibit any
9 United States financial institution from making
10 loans or providing credits to the entity totaling more
11 than \$10,000,000 in any 12-month period unless the
12 person is engaged in activities to relieve human suf-
13 fering and the loans or credits are provided for such
14 activities.

15 (4) LOANS FROM INTERNATIONAL FINANCIAL
16 INSTITUTIONS.—The President may direct the
17 United States executive director to each inter-
18 national financial institution to use the voice and
19 vote of the United States to oppose any loan from
20 the international financial institution that would
21 benefit the entity.

22 (5) PROHIBITIONS ON FINANCIAL INSTITU-
23 TIONS.—The following prohibitions may be imposed
24 against the entity if the entity is a financial institu-
25 tion:

1 (A) PROHIBITION ON DESIGNATION AS
2 PRIMARY DEALER.—Neither the Board of Gov-
3 ernors of the Federal Reserve System nor the
4 Federal Reserve Bank of New York may des-
5 ignate, or permit the continuation of any prior
6 designation of, the financial institution as a pri-
7 mary dealer in United States Government debt
8 instruments.

9 (B) PROHIBITION ON SERVICE AS A RE-
10 POSITORY OF GOVERNMENT FUNDS.—The fi-
11 nancial institution may not serve as agent of
12 the United States Government or serve as re-
13 pository for United States Government funds.

14 The imposition of either sanction under subpara-
15 graph (A) or (B) shall be treated as one sanction for
16 purposes of subsection (a)(3), and the imposition of
17 both such sanctions shall be treated as 2 sanctions
18 for purposes of subsection (a)(3).

19 (6) PROCUREMENT SANCTION.—The United
20 States Government may not procure, or enter into
21 any contract for the procurement of, any goods or
22 services from the entity.

23 (7) FOREIGN EXCHANGE.—The President may,
24 pursuant to such regulations as the President may
25 prescribe, prohibit any transactions in foreign ex-

1 change that are subject to the jurisdiction of the
2 United States and in which the entity has any inter-
3 est.

4 (8) BANKING TRANSACTIONS.—The President
5 may, pursuant to such regulations as the President
6 may prescribe, prohibit any transfers of credit or
7 payments between financial institutions or by,
8 through, or to any financial institution, to the extent
9 that such transfers or payments are subject to the
10 jurisdiction of the United States and involve any in-
11 terest of the entity.

12 (9) PROPERTY TRANSACTIONS.—The President
13 may, pursuant to such regulations as the President
14 may prescribe, prohibit any person from—

15 (A) acquiring, holding, withholding, using,
16 transferring, withdrawing, transporting, or ex-
17 porting any property that is subject to the ju-
18 risdiction of the United States and with respect
19 to which the entity has any interest;

20 (B) dealing in or exercising any right,
21 power, or privilege with respect to such prop-
22 erty; or

23 (C) conducting any transaction involving
24 such property.

1 (10) BAN ON INVESTMENT IN EQUITY OR DEBT
2 OF SANCTIONED PERSON.—The President may, pur-
3 suant to such regulations or guidelines as the Presi-
4 dent may prescribe, prohibit any United States per-
5 son from investing in or purchasing significant
6 amounts of equity or debt instruments of the entity.

7 (11) EXCLUSION OF CORPORATE OFFICERS.—
8 The President may direct the Secretary of State to
9 deny a visa to, and the Secretary of Homeland Secu-
10 rity to exclude from the United States, any alien
11 that the President determines is a corporate officer
12 or principal of, or a shareholder with a controlling
13 interest in, the entity.

14 (12) SANCTIONS ON PRINCIPAL EXECUTIVE OF-
15 FICERS.—The President may impose on the prin-
16 cipal executive officer or officers of the entity, or on
17 persons performing similar functions and with simi-
18 lar authorities as such officer or officers, any of the
19 sanctions under this subsection.

20 (d) NATIONAL SECURITY WAIVER.—The President
21 may waive the imposition of sanctions under this section
22 with respect to a foreign person if the President—

23 (1) determines that such a waiver is in the na-
24 tional security interests of the United States; and

1 (2) not more than 15 days after issuing the
2 waiver, submits to the appropriate congressional
3 committees a notification of the waiver and the rea-
4 sons for the waiver.

5 (e) SIGNIFICANT ACTIVITIES UNDERMINING CYBER-
6 SECURITY DEFINED.—In this section, the term “signifi-
7 cant activities undermining cybersecurity” includes—

8 (1) significant efforts—

9 (A) to deny access to or degrade, com-
10 promise, disrupt, or destroy an information and
11 communications technology system or network;
12 or

13 (B) to exfiltrate, degrade, corrupt, destroy,
14 or release information from such a system or
15 network without authorization for purposes
16 of—

17 (i) conducting influence operations; or

18 (ii) causing a significant misappro-
19 priation of funds, economic resources,
20 trade secrets, personal identifications, or
21 financial information for commercial or
22 competitive advantage or private financial
23 gain;

24 (2) significant destructive malware attacks; or

25 (3) significant denial of service activities.

1 **SEC. 5204. IMPOSITION OF SANCTIONS WITH RESPECT TO**
2 **THEFT OF TRADE SECRETS OF UNITED**
3 **STATES PERSONS.**

4 (a) REPORT REQUIRED.—

5 (1) IN GENERAL.—Not later than 180 days
6 after the date of the enactment of this Act, and not
7 less frequently than annually thereafter, the Presi-
8 dent shall submit to the appropriate congressional
9 committees a report—

10 (A) identifying any foreign person the
11 President determines, during the period speci-
12 fied in paragraph (2)—

13 (i) has knowingly engaged in, or bene-
14 fitted from, significant theft of trade se-
15 crets of United States persons, if the theft
16 of such trade secrets occurred on or after
17 such date of enactment and is reasonably
18 likely to result in, or has materially con-
19 tributed to, a significant threat to the na-
20 tional security, foreign policy, or economic
21 health or financial stability of the United
22 States;

23 (ii) has provided significant financial,
24 material, or technological support for, or
25 goods or services in support of or to ben-
26 efit significantly from, such theft;

1 (iii) is an entity that is owned or con-
2 trolled by, or that has acted or purported
3 to act for or on behalf of, directly or indi-
4 rectly, any foreign person identified under
5 clause (i) or (ii); or

6 (iv) is a chief executive officer or
7 member of the board of directors of any
8 foreign entity identified under clause (i) or
9 (ii);

10 (B) describing the nature, objective, and
11 outcome of the theft of trade secrets each for-
12 eign person described in subparagraph (A)(i)
13 engaged in or benefitted from; and

14 (C) assessing whether any chief executive
15 officer or member of the board of directors de-
16 scribed in clause (iv) of subparagraph (A) en-
17 gaged in, or benefitted from, activity described
18 in clause (i) or (ii) of that subparagraph.

19 (2) PERIOD SPECIFIED.—The period specified
20 in this paragraph is—

21 (A) in the case of the first report required
22 by paragraph (1), the period beginning on the
23 date of the enactment of this Act and ending on
24 the date on which the report is required to be
25 submitted; and

1 (B) in the case of each subsequent report
2 required by paragraph (1), the one-year period
3 preceding the date on which the report is re-
4 quired to be submitted.

5 (3) FORM OF REPORT.—Each report required
6 by paragraph (1) shall be submitted in unclassified
7 form but may include a classified annex.

8 (b) AUTHORITY TO IMPOSE SANCTIONS.—

9 (1) SANCTIONS APPLICABLE TO ENTITIES.—In
10 the case of a foreign entity identified under subpara-
11 graph (A) of subsection (a)(1) in the most recent re-
12 port submitted under that subsection, the President
13 shall impose not less than 5 of the following:

14 (A) BLOCKING OF PROPERTY.—The Presi-
15 dent may, pursuant to the International Emer-
16 gency Economic Powers Act (50 U.S.C. 1701 et
17 seq.), block and prohibit all transactions in all
18 property and interests in property of the entity
19 if such property and interests in property are in
20 the United States, come within the United
21 States, or are or come within the possession or
22 control of a United States person.

23 (B) INCLUSION ON ENTITY LIST.—The
24 President may include the entity on the entity
25 list maintained by the Bureau of Industry and

1 Security of the Department of Commerce and
2 set forth in Supplement No. 4 to part 744 of
3 the Export Administration Regulations, for ac-
4 tivities contrary to the national security or for-
5 eign policy interests of the United States.

6 (C) EXPORT-IMPORT BANK ASSISTANCE
7 FOR EXPORTS TO SANCTIONED PERSONS.—The
8 President may direct the Export-Import Bank
9 of the United States not to give approval to the
10 issuance of any guarantee, insurance, extension
11 of credit, or participation in the extension of
12 credit in connection with the export of any
13 goods or services to the entity.

14 (D) LOANS FROM UNITED STATES FINAN-
15 CIAL INSTITUTIONS.—The President may pro-
16 hibit any United States financial institution
17 from making loans or providing credits to the
18 entity totaling more than \$10,000,000 in any
19 12-month period unless the person is engaged
20 in activities to relieve human suffering and the
21 loans or credits are provided for such activities.

22 (E) LOANS FROM INTERNATIONAL FINAN-
23 CIAL INSTITUTIONS.—The President may direct
24 the United States executive director to each
25 international financial institution to use the

1 voice and vote of the United States to oppose
2 any loan from the international financial insti-
3 tution that would benefit the entity.

4 (F) PROHIBITIONS ON FINANCIAL INSTITU-
5 TIONS.—The following prohibitions may be im-
6 posed against the entity if the entity is a finan-
7 cial institution:

8 (i) PROHIBITION ON DESIGNATION AS
9 PRIMARY DEALER.—Neither the Board of
10 Governors of the Federal Reserve System
11 nor the Federal Reserve Bank of New
12 York may designate, or permit the continu-
13 ation of any prior designation of, the fi-
14 nancial institution as a primary dealer in
15 United States Government debt instru-
16 ments.

17 (ii) PROHIBITION ON SERVICE AS A
18 REPOSITORY OF GOVERNMENT FUNDS.—
19 The financial institution may not serve as
20 agent of the United States Government or
21 serve as repository for United States Gov-
22 ernment funds.

23 The imposition of either sanction under clause
24 (i) or (ii) shall be treated as one sanction for
25 purposes of this subsection, and the imposition

1 of both such sanctions shall be treated as 2
2 sanctions for purposes of this subsection.

3 (G) PROCUREMENT SANCTION.—The
4 United States Government may not procure, or
5 enter into any contract for the procurement of,
6 any goods or services from the entity.

7 (H) FOREIGN EXCHANGE.—The President
8 may, pursuant to such regulations as the Presi-
9 dent may prescribe, prohibit any transactions in
10 foreign exchange that are subject to the juris-
11 diction of the United States and in which the
12 entity has any interest.

13 (I) BANKING TRANSACTIONS.—The Presi-
14 dent may, pursuant to such regulations as the
15 President may prescribe, prohibit any transfers
16 of credit or payments between financial institu-
17 tions or by, through, or to any financial institu-
18 tion, to the extent that such transfers or pay-
19 ments are subject to the jurisdiction of the
20 United States and involve any interest of the
21 entity.

22 (J) BAN ON INVESTMENT IN EQUITY OR
23 DEBT OF SANCTIONED PERSON.—The President
24 may, pursuant to such regulations or guidelines
25 as the President may prescribe, prohibit any

1 United States person from investing in or pur-
2 chasing significant amounts of equity or debt
3 instruments of the entity.

4 (K) EXCLUSION OF CORPORATE OFFI-
5 CERS.—The President may direct the Secretary
6 of State to deny a visa to, and the Secretary of
7 Homeland Security to exclude from the United
8 States, any alien that the President determines
9 is a corporate officer or principal of, or a share-
10 holder with a controlling interest in, the entity.

11 (L) SANCTIONS ON PRINCIPAL EXECUTIVE
12 OFFICERS.—The President may impose on the
13 principal executive officer or officers of the enti-
14 ty, or on individuals performing similar func-
15 tions and with similar authorities as such offi-
16 cer or officers, any of the sanctions under this
17 paragraph.

18 (2) SANCTIONS APPLICABLE TO INDIVIDUALS.—
19 In the case of an alien identified under subpara-
20 graph (A) of subsection (a)(1) in the most recent re-
21 port submitted under that subsection, the following
22 shall apply:

23 (A) BLOCKING OF PROPERTY.—The Presi-
24 dent shall, pursuant to the International Emer-
25 gency Economic Powers Act (50 U.S.C. 1701 et

1 seq.), block and prohibit all transactions in all
2 property and interests in property of the alien
3 if such property and interests in property are in
4 the United States, come within the United
5 States, or are or come within the possession or
6 control of a United States person.

7 (B) INELIGIBILITY FOR VISAS, ADMISSION,
8 OR PAROLE.—

9 (i) VISAS, ADMISSION, OR PAROLE.—

10 An alien described in subparagraph (A) of
11 subsection (a)(1) is—

12 (I) inadmissible to the United
13 States;

14 (II) ineligible to receive a visa or
15 other documentation to enter the
16 United States; and

17 (III) otherwise ineligible to be
18 admitted or paroled into the United
19 States or to receive any other benefit
20 under the Immigration and Nation-
21 ality Act (8 U.S.C. 1101 et seq.).

22 (ii) CURRENT VISAS REVOKED.—

23 (I) IN GENERAL.—An alien de-
24 scribed in subparagraph (A) of sub-
25 section (a)(1) is subject to revocation

1 of any visa or other entry documenta-
2 tion regardless of when the visa or
3 other entry documentation is or was
4 issued.

5 (II) IMMEDIATE EFFECT.—A rev-
6 ocation under subclause (I) shall—

7 (aa) take effect pursuant to
8 section 221(i) of the Immigration
9 and Nationality Act (8 U.S.C.
10 1201(i)); and

11 (bb) cancel any other valid
12 visa or entry documentation that
13 is in the alien's possession.

14 (c) NATIONAL INTEREST WAIVER.—The President
15 may waive the imposition of sanctions under subsection
16 (b) with respect to a person if the President—

17 (1) determines that such a waiver is in the na-
18 tional interests of the United States; and

19 (2) not more than 15 days after issuing the
20 waiver, submits to the appropriate congressional
21 committees a notification of the waiver and the rea-
22 sons for the waiver.

23 (d) TERMINATION OF SANCTIONS.—Sanctions im-
24 posed under subsection (b) with respect to a foreign per-
25 son identified in a report submitted under subsection (a)

1 shall terminate if the President certifies to the appropriate
2 congressional committees, before the termination takes ef-
3 fect, that the person is no longer engaged in the activity
4 identified in the report.

5 (e) DEFINITIONS.—In this section:

6 (1) EXPORT ADMINISTRATION REGULATIONS.—
7 The term “Export Administration Regulations”
8 means subchapter C of chapter VII of title 15, Code
9 of Federal Regulations.

10 (2) FOREIGN ENTITY.—The term “foreign enti-
11 ty” means an entity that is not a United States per-
12 son.

13 (3) TRADE SECRET.—The term “trade secret”
14 has the meaning given that term in section 1839 of
15 title 18, United States Code.

16 **SEC. 5205. IMPLEMENTATION; PENALTIES.**

17 (a) IMPLEMENTATION.—The President may exercise
18 all authorities provided under sections 203 and 205 of the
19 International Emergency Economic Powers Act (50
20 U.S.C. 1702 and 1704) to carry out this subtitle.

21 (b) PENALTIES.—A person that violates, attempts to
22 violate, conspires to violate, or causes a violation of this
23 subtitle or any regulation, license, or order issued to carry
24 out this subtitle shall be subject to the penalties set forth
25 in subsections (b) and (c) of section 206 of the Inter-

1 national Emergency Economic Powers Act (50 U.S.C.
2 1705) to the same extent as a person that commits an
3 unlawful act described in subsection (a) of that section.

4 **SEC. 5206. EXCEPTIONS.**

5 (a) INTELLIGENCE ACTIVITIES.—This subtitle shall
6 not apply with respect to activities subject to the reporting
7 requirements under title V of the National Security Act
8 of 1947 (50 U.S.C. 3091 et seq.) or any authorized intel-
9 ligence activities of the United States.

10 (b) LAW ENFORCEMENT ACTIVITIES.—Sanctions
11 under this subtitle shall not apply with respect to any au-
12 thorized law enforcement activities of the United States.

13 (c) EXCEPTION TO COMPLY WITH INTERNATIONAL
14 AGREEMENTS.—Sanctions under this subtitle shall not
15 apply with respect to the admission of an alien to the
16 United States if such admission is necessary to comply
17 with the obligations of the United States under the Agree-
18 ment regarding the Headquarters of the United Nations,
19 signed at Lake Success June 26, 1947, and entered into
20 force November 21, 1947, between the United Nations
21 and the United States, or the Convention on Consular Re-
22 lations, done at Vienna April 24, 1963, and entered into
23 force March 19, 1967, or other international obligations.

24 (d) EXCEPTION RELATING TO IMPORTATION OF
25 GOODS.—

1 (1) IN GENERAL.—The authority or a require-
2 ment to impose sanctions under this subtitle shall
3 not include the authority or a requirement to impose
4 sanctions on the importation of goods.

5 (2) GOOD DEFINED.—In this subsection, the
6 term “good” means any article, natural or manmade
7 substance, material, supply, or manufactured prod-
8 uct, including inspection and test equipment, and ex-
9 cluding technical data.

10 **Subtitle B—Export Control Review** 11 **And Other Matters**

12 **SEC. 5211. REVIEW AND CONTROLS ON EXPORT OF ITEMS** 13 **WITH CRITICAL CAPABILITIES TO ENABLE** 14 **HUMAN RIGHTS ABUSES.**

15 (a) STATEMENT OF POLICY.—It is the policy of the
16 United States to use export controls to the extent nec-
17 essary to further the protection of internationally recog-
18 nized human rights.

19 (b) REVIEW OF ITEMS WITH CRITICAL CAPABILITIES
20 TO ENABLE HUMAN RIGHTS ABUSES.—Not later than
21 180 days after the date of the enactment of this Act, and
22 as appropriate thereafter, the Secretary, in coordination
23 with the Secretary of State, the Director of National Intel-
24 ligence, and the heads of other Federal agencies as appro-
25 priate, shall conduct a review of items subject to controls

1 for crime control reasons pursuant to section 742.7 of the
2 Export Administration Regulations.

3 (c) CONTROLS.—In furtherance of the policy set forth
4 in subsection (a), not later than 60 days after completing
5 the review required by subsection (b), the Secretary, in
6 coordination with the heads of other Federal agencies as
7 appropriate, shall determine whether additional export
8 controls are needed to protect human rights, including
9 whether—

10 (1) controls for crime control reasons pursuant
11 to section 742.7 of the Export Administration Regu-
12 lations should be imposed on additional items, in-
13 cluding items with critical capabilities to enable
14 human rights abuses involving—

15 (A) censorship or social control;

16 (B) surveillance, interception, or restriction
17 of communications;

18 (C) monitoring or restricting access to or
19 use of the internet;

20 (D) identification of individuals through
21 facial or voice recognition or biometric indica-
22 tors; or

23 (E) DNA sequencing; or

24 (2) end-use and end-user controls should be im-
25 posed on the export, reexport, or in-country transfer

1 of certain items with critical capabilities to enable
2 human rights abuses that are subject to the Export
3 Administration Regulations if the person seeking to
4 export, reexport, or transfer the item has knowledge,
5 or the Secretary determines and so informs that per-
6 son, that the end-user or ultimate consignee will use
7 the item to enable human rights abuses.

8 (d) COOPERATION OF OTHER AGENCIES.—Upon re-
9 quest from the Secretary, the head of a Federal agency
10 shall provide full support and cooperation to the Secretary
11 in carrying out this section.

12 (e) INTERNATIONAL COORDINATION ON CONTROLS
13 TO PROTECT HUMAN RIGHTS.—It shall be the policy of
14 the United States to seek to secure the cooperation of
15 other governments to impose export controls that are con-
16 sistent, to the extent possible, with the controls imposed
17 under this section.

18 (f) CONFORMING AMENDMENT.—Section 1752(2)(A)
19 of the Export Control Reform Act of 2018 (50 U.S.C.
20 4811(2)(A)) is amended—

21 (1) in clause (iv), by striking “; or” and insert-
22 ing a semicolon;

23 (2) in clause (v), by striking the period and in-
24 serting “; or”; and

25 (3) by adding at the end the following:

1 “(vi) serious human rights abuses.”.

2 (g) DEFINITIONS.—In this section:

3 (1) END-USER; KNOWLEDGE; ULTIMATE CON-
4 SIGNEE.—The terms “end-user”, “knowledge”, and
5 “ultimate consignee” have the meanings given those
6 terms in section 772.1 of the Export Administration
7 Regulations.

8 (2) EXPORT; EXPORT ADMINISTRATION REGU-
9 LATIONS; IN-COUNTRY TRANSFER; ITEM; REEX-
10 PORT.—The terms “export”, “Export Administra-
11 tion Regulations”, “in-country transfer”, “item”,
12 and “reexport” have the meanings given those terms
13 in section 1742 of the Export Control Reform Act
14 of 2018 (50 U.S.C. 4801).

15 (3) SECRETARY.—The term “Secretary” means
16 the Secretary of Commerce.

17 **SEC. 5212. PROHIBITION ON REVIEWS BY COMMITTEE ON**
18 **FOREIGN INVESTMENT IN THE UNITED**
19 **STATES OF CERTAIN FOREIGN GIFTS TO AND**
20 **CONTRACTS WITH INSTITUTIONS OF HIGHER**
21 **EDUCATION.**

22 (a) IN GENERAL.—Notwithstanding any other provi-
23 sion of law, the Committee on Foreign Investment in the
24 United States may not review or investigate a gift to an
25 institution of higher education from a foreign person, or

1 the entry into a contract by such an institution with a
2 foreign person, that is not a covered transaction as defined
3 in section 721(a)(4) of the Defense Production Act of
4 1950 (50 U.S.C. 4565(a)(4)), as in effect on the day be-
5 fore the date of the enactment of this Act.

6 (b) PROHIBITION ON USE OF FUNDS.—Notwith-
7 standing any other provision of law, none of the funds au-
8 thorized to be appropriated or otherwise made available
9 for fiscal year 2021 or any fiscal year thereafter may be
10 obligated or expended by the Committee on Foreign In-
11 vestment in the United States to review or investigate a
12 gift or contract described in subsection (a).

13 **SEC. 5213. TECHNICAL CORRECTIONS TO THE HONG KONG**
14 **AUTONOMY ACT.**

15 (a) IDENTIFICATION OF FOREIGN PERSONS.—Sec-
16 tion 5(a) of the Hong Kong Autonomy Act (Public Law
17 116–149; 22 U.S.C. 5701 note) is amended, in the matter
18 preceding paragraph (1), by inserting “knowingly” after
19 “that a foreign person”.

20 (b) CONGRESSIONAL REVIEW.—Section 8 of such Act
21 is amended—

22 (1) in subsection (a)(2), by striking the period
23 at the end and inserting the following: “not later
24 than—

1 “(A) except as provided in subparagraph
2 (B), the date that is 30 calendar days before
3 the date on which the President intends the
4 waiver to take effect; or

5 “(B) if the report is submitted on or after
6 July 10 and on or before September 7 in any
7 calendar year, the date that is 60 calendar days
8 before the date on which the President intends
9 the waiver to take effect.”;

10 (2) in subsection (b)—

11 (A) by redesignating paragraphs (1), (2),
12 and (3) as subparagraphs (A), (B), and (C), re-
13 spectively, and by moving such subparagraphs,
14 as so redesignated, 2 ems to the right;

15 (B) by striking “Treasury, determines”
16 and inserting the following: “Treasury—
17 “(1) determines”;

18 (C) in subparagraph (C), as redesignated
19 by subparagraph (A), by striking the period at
20 the end and inserting “; and”; and

21 (D) by adding at the end the following:

22 “(2) submits to the appropriate congressional
23 committees and leadership a report on the deter-
24 mination and the reasons for the determination not
25 later than—

1 “(A) except as provided in subparagraph
2 (B), the date that is 30 calendar days before
3 the date on which the President intends the ter-
4 mination of the application of sanctions to take
5 effect; or

6 “(B) if the report is submitted on or after
7 July 10 and on or before September 7 in any
8 calendar year, the date that is 60 calendar days
9 before the date on which the President intends
10 the termination of the application of sanctions
11 to take effect.”; and

12 (3) in subsection (e), by striking paragraph (2)
13 and inserting the following:

14 “(2) INTRODUCTION.—

15 “(A) IN GENERAL.—A covered resolution
16 may be introduced during the period described
17 in subparagraph (B)—

18 “(i) in the House of Representatives,
19 by the majority leader or the minority
20 leader; and

21 “(ii) in the Senate, by the majority
22 leader (or the majority leader’s designee)
23 or the minority leader (or the minority
24 leader’s designee).

1 “(B) PERIOD DESCRIBED.—The period de-
2 scribed in this subparagraph for introduction of
3 a covered resolution is—

4 “(i) except as provided in clause (ii),
5 the period of 30 calendar days beginning
6 on the date on which the President sub-
7 mits the report under subsection (a)(2),
8 (b)(2), or (c)(1) to which the resolution re-
9 lates; or

10 “(ii) if the report to which the resolu-
11 tion relates is submitted on or after July
12 10 and on or before September 7 in any
13 calendar year, the period of 60 calendar
14 days beginning on the date on which the
15 President submits the report.”.

16 **SEC. 5214. CONFORMING AMENDMENTS TO TREASURY PO-**
17 **SITIONS ESTABLISHED BY FOREIGN INVEST-**
18 **MENT RISK REVIEW MODERNIZATION ACT OF**
19 **2018.**

20 (a) TITLE 31.—Section 301(e) of title 31, United
21 States Code, is amended in the first sentence by striking
22 “8” and inserting “9”.

23 (b) TITLE 5.—Section 5315 of title 5, United States
24 Code, is amended by striking “Assistant Secretaries of the

1 Treasury (10).” and inserting “Assistant Secretaries of
2 the Treasury (11).”.

3 **TITLE III—REPORTS**

4 **SEC. 5301. REVIEW OF THE PRESENCE OF CHINESE ENTI-**
5 **TIES IN UNITED STATES CAPITAL MARKETS.**

6 (a) REPORT REQUIRED.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the date of the enactment of this Act, 3 years
9 after such date of enactment, and 5 years after such
10 date of enactment, the Secretary of the Treasury, in
11 consultation with the Director of National Intel-
12 ligence, the Secretary of State, and the Chairman of
13 the Securities and Exchange Commission, shall sub-
14 mit to the appropriate congressional committees an
15 unclassified report that describes the risks posed to
16 the United States by the presence in United States
17 capital markets of entities incorporated in the Peo-
18 ple’s Republic of China.

19 (2) MATTERS TO BE INCLUDED.—Each report
20 required under paragraph (1) shall—

21 (A) identify entities incorporated in the
22 People’s Republic of China—

23 (i)(I) the securities (including Amer-
24 ican depositary receipts) of which are listed
25 or traded on one or several national securi-

1 ties exchanges, or traded through any
2 process commonly referred to as the “over-
3 the-counter” method of trading, within the
4 United States; or

5 (II) that have “A Shares” listed or
6 traded on mainland exchanges in the Peo-
7 ple’s Republic of China that are included
8 in index-based, exchange-traded funds pur-
9 chased or sold within the United States;
10 and

11 (ii) that, based on the factors for con-
12 sideration described in paragraph (3), have
13 knowingly and materially contributed to—

14 (I) activities that undermine
15 United States national security;

16 (II) serious abuses of internation-
17 ally recognized human rights; or

18 (III) a substantially increased fi-
19 nancial risk exposure for United
20 States-based investors;

21 (B) describe the activities of the entities
22 identified pursuant to subparagraph (A) and
23 their implications for the United States; and

24 (C) develop policy recommendations for the
25 United States Government, United States fi-

1 nancial institutions, national securities ex-
2 changes, and other relevant stakeholders to ad-
3 dress any risks posed by the presence in United
4 States capital markets of the entities identified
5 pursuant to subparagraph (A).

6 (3) FACTORS FOR CONSIDERATION.—In com-
7 pleting each report under paragraph (1), the Sec-
8 retary of the Treasury shall consider whether an en-
9 tity identified pursuant to paragraph (2)(A)—

10 (A) has materially contributed to the devel-
11 opment or manufacture, or sold or facilitated
12 procurement by the People’s Liberation Army,
13 of lethal military equipment or component parts
14 of such equipment;

15 (B) has contributed to the construction
16 and militarization of features in the South
17 China Sea;

18 (C) has been sanctioned by the United
19 States or has been determined to have con-
20 ducted business with sanctioned entities;

21 (D) has engaged in an act or a series of
22 acts of intellectual property theft;

23 (E) has engaged in corporate or economic
24 espionage;

1 (F) has contributed to the proliferation of
2 nuclear or missile technology in violation of
3 United Nations Security Council resolutions or
4 United States sanctions;

5 (G) has contributed to the repression of re-
6 ligious and ethnic minorities within the People's
7 Republic of China, including in the Xinjiang
8 Uyghur Autonomous Region or the Tibet Au-
9 tonomous Region;

10 (H) has contributed to the development of
11 technologies that enable censorship directed or
12 directly supported by the Government of the
13 People's Republic of China;

14 (I) has failed to comply fully with Federal
15 securities laws (including required audits by the
16 Public Company Accounting Oversight Board)
17 and "material risk" disclosure requirements of
18 the Securities and Exchange Commission; or

19 (J) has contributed to other activities or
20 behavior determined to be relevant by the Sec-
21 retary of the Treasury.

22 (b) REPORT FORM.—Each report required under
23 subsection (a)(1) shall be submitted in unclassified form
24 but may include a classified annex.

1 (c) PUBLICATION.—The unclassified portion of a re-
2 port under subsection (a)(1) shall be made accessible to
3 the public online through relevant United States Govern-
4 ment websites.

5 (d) DEFINITIONS.—In this section:

6 (1) APPROPRIATE CONGRESSIONAL COMMIT-
7 TEES.—The term “appropriate congressional com-
8 mittees” means—

9 (A) the Committee on Banking, Housing,
10 and Urban Affairs, the Committee on Foreign
11 Relations, and the Select Committee on Intel-
12 ligence of the Senate; and

13 (B) the Committee on Financial Services,
14 the Committee on Foreign Affairs, and the Per-
15 manent Select Committee on Intelligence of the
16 House of Representatives.

17 (2) NATIONAL SECURITIES EXCHANGE.—The
18 term “national securities exchange” means an ex-
19 change registered as a national securities exchange
20 in accordance with section 6 of the Securities Ex-
21 change Act of 1934 (15 U.S.C. 78f).

22 **SEC. 5302. REPORT ON MALIGN ACTIVITY INVOLVING CHI-**
23 **NESE STATE-OWNED ENTERPRISES.**

24 (a) IN GENERAL.—Not later than one year after the
25 date of the enactment of this Act, the President shall sub-

1 mit to the appropriate congressional committees a report
2 that—

3 (1) assesses whether and to what extent state-
4 owned enterprises in the People’s Republic of China
5 are engaged in or knowingly facilitating—

6 (A) the commission of serious human
7 rights abuses, including toward religious or eth-
8 nic minorities in the People’s Republic of
9 China, including in the Xinjiang Uyghur Auton-
10 omous Region;

11 (B) the use of forced or child labor, includ-
12 ing forced or child labor involving ethnic mi-
13 norities in the People’s Republic of China; or

14 (C) any actions that erode or undermine
15 the autonomy of Hong Kong from the People’s
16 Republic of China, as established in the Basic
17 Law of Hong Kong and the Joint Declaration,
18 and as further described in the Hong Kong Au-
19 tonomy Act (Public Law 116–149; 22 U.S.C.
20 5701 note);

21 (2) identifies—

22 (A) any state-owned enterprises in the
23 People’s Republic of China that are engaged in
24 or knowingly facilitating any activities described
25 in paragraph (1);

1 (B) any Communist Chinese military com-
2 panies identified under section 1237(b) of the
3 Strom Thurmond National Defense Authoriza-
4 tion Act for Fiscal Year 1999 (Public Law
5 105–261; 50 U.S.C. 1701 note); and

6 (C) any majority-owned subsidiaries of
7 such enterprises or companies with a market
8 capitalization of \$5,000,000,000 or more;

9 (3)(A) assesses whether each enterprise, com-
10 pany, or subsidiary identified under paragraph (2)
11 received, during the 5-year period preceding submis-
12 sion of the report, any financial assistance from the
13 United States Government; and

14 (B) in the case of any such enterprise, com-
15 pany, or subsidiary that received financial assistance
16 from an agency of the United States Government
17 during that period, identifies the amount of such as-
18 sistance received by the enterprise, company, or sub-
19 sidiary; and

20 (4) includes recommendations for any legislative
21 or administrative action to address matters identi-
22 fied in the report, including any recommendations
23 with respect to additional limitations on United
24 States financial assistance provided to enterprises,

1 companies, and subsidiaries identified under para-
2 graph (2).

3 (b) FORM OF REPORT.—The report required by sub-
4 section (a) shall be submitted in unclassified form but may
5 include a classified annex.

6 (c) DEFINITIONS.—In this section:

7 (1) APPROPRIATE CONGRESSIONAL COMMIT-
8 TEES.—The term “appropriate congressional com-
9 mittees” means—

10 (A) the Committee on Banking, Housing,
11 and Urban Affairs and the Committee on For-
12 eign Relations of the Senate; and

13 (B) the Committee on Financial Services
14 and the Committee on Foreign Affairs of the
15 House of Representatives.

16 (2) JOINT DECLARATION.—The term “Joint
17 Declaration” means the Joint Declaration of the
18 Government of the United Kingdom of Great Britain
19 and Northern Ireland and the Government of the
20 People’s Republic of China on the Question of Hong
21 Kong, done at Beijing December 19, 1984.

1 **SEC. 5303. REPORT ON USE AND APPLICABILITY OF SANC-**
2 **TIONS TO CHINESE OFFICIALS COMPLICIT IN**
3 **HUMAN RIGHTS VIOLATIONS AND VIOLA-**
4 **TIONS OF UNITED STATES SANCTIONS WITH**
5 **RESPECT TO HONG KONG.**

6 (a) IN GENERAL.—Not later than 180 days after the
7 date of the enactment of this Act, the Secretary of State,
8 in consultation with the Secretary of the Treasury, shall
9 submit to the appropriate congressional committees a re-
10 port on the use and applicability of sanctions, including
11 financial sanctions and the denial of visas to enter the
12 United States, with respect to officials of the Government
13 of the People’s Republic of China complicit in—

14 (1) human rights violations, including severe re-
15 ligious freedom restrictions and human trafficking;
16 or

17 (2) violations of sanctions imposed by the
18 United States with respect to Hong Kong.

19 (b) ELEMENTS.—The report required by subsection
20 (a) shall include—

21 (1) a list of all relevant authorities under stat-
22 utes or Executive orders for imposing sanctions de-
23 scribed in subsection (a);

24 (2) an assessment of where, if at all, such au-
25 thorities may conflict, overlap, or otherwise require
26 clarification;

1 (3) a list of all instances in which designations
2 for the imposition of sanctions described in sub-
3 section (a) were made during the one-year period
4 preceding submission of the report; and

5 (4) an assessment of the effectiveness of those
6 designations in changing desired behavior and rec-
7 ommendations for increasing the effectiveness of
8 such designations.

9 (c) FORM OF REPORT.—The report required by sub-
10 section (a) shall be submitted in unclassified form but may
11 include a classified annex.

12 (d) APPROPRIATE CONGRESSIONAL COMMITTEES
13 DEFINED.—In this section, the term “appropriate con-
14 gressional committees” means—

15 (1) the Committee on Banking, Housing, and
16 Urban Affairs and the Committee on Foreign Rela-
17 tions of the Senate; and

18 (2) the Committee on Financial Services and
19 the Committee on Foreign Affairs of the House of
20 Representatives.

1 **SEC. 5304. REPORT ON DOMESTIC SHORTFALLS OF INDUS-**
2 **TRIAL RESOURCES, MATERIALS, AND CRIT-**
3 **ICAL TECHNOLOGY ITEMS ESSENTIAL TO**
4 **THE NATIONAL DEFENSE.**

5 (a) IN GENERAL.—Not later than 180 days after the
6 date of the enactment of this Act, the President shall sub-
7 mit to the Committee on Banking, Housing, and Urban
8 Affairs of the Senate and the Committee on Financial
9 Services of the House of Representatives a report that—

10 (1) identifies current or projected domestic
11 shortfalls of industrial resources, materials, or crit-
12 ical technology items essential to the national de-
13 fense;

14 (2) assesses strategic and critical materials for
15 which the United States relies on the People’s Re-
16 public of China as the sole or primary source; and

17 (3) includes recommendations relating to the
18 use of authorities under the Defense Production Act
19 of 1950 (50 U.S.C. 4501 et seq.) to make invest-
20 ments to reduce the reliance of the United States on
21 the People’s Republic of China for strategic and crit-
22 ical materials.

23 (b) FORM OF REPORT.—The report required by sub-
24 section (a) shall be submitted in unclassified form but may
25 include a classified annex.

1 (c) DEFINITIONS.—In this section, the terms “indus-
2 trial resources”, “materials”, “critical technology item”,
3 and “national defense” have the meanings given those
4 terms in section 702 of the Defense Production Act of
5 1950 (50 U.S.C. 4552).

6 **SEC. 5305. REPORT ON IMPLEMENTATION OF PROCESS FOR**
7 **EXCHANGE OF INFORMATION BETWEEN COM-**
8 **MITTEE ON FOREIGN INVESTMENT IN THE**
9 **UNITED STATES AND ALLIES AND PARTNERS.**

10 (a) IN GENERAL.—Not later than 180 days after the
11 date of the enactment of this Act, the chairperson of the
12 Committee on Foreign Investment in the United States
13 shall submit to the Committee on Banking, Housing, and
14 Urban Affairs of the Senate and the Committee on Finan-
15 cial Services of the House of Representatives a report on
16 the implementation of the formal process for the exchange
17 of information with governments of countries that are al-
18 lies or partners of the United States described in section
19 721(c)(3) of the Defense Production Act of 1950 (50
20 U.S.C. 4565(c)(3)).

21 (b) FORM OF REPORT.—The report required by sub-
22 section (a) shall be submitted in unclassified form but may
23 include a classified annex.

1 **SEC. 5306. REPORT ON ECONOMIC AND NATIONAL SECUR-**
2 **RITY IMPLICATIONS OF CHANGES TO CROSS-**
3 **BORDER PAYMENT AND FINANCIAL MES-**
4 **SAGING SYSTEMS.**

5 (a) IN GENERAL.—Not later than 180 days after the
6 date of the enactment of this Act, the Secretary of the
7 Treasury, in collaboration with the Secretary of State and
8 the Board of Governors of the Federal Reserve System,
9 shall submit to the appropriate congressional committees
10 a report on the economic and national security implica-
11 tions of material changes to the infrastructure or eco-
12 system of cross-border payment and financial messaging
13 systems, including alternative systems being developed by
14 other countries.

15 (b) ELEMENTS.—The report required by subsection

16 (a) shall include—

17 (1) an assessment of the impact of—

18 (A) how changes to the infrastructure or
19 ecosystem of cross-border payment and finan-
20 cial messaging systems, including emerging sys-
21 tems that enable cross-border payments, will af-
22 fect United States national security interests,
23 including enforcement of United States and
24 international anti-money laundering, countering
25 the financing of terrorism, and sanctions stand-

1 ards designed to safeguard the international fi-
2 nancial system; and

3 (B) other relevant national security impli-
4 cations of such changes;

5 (2) an assessment of the implications of any on-
6 going collaborations of international financial mes-
7 saging systems with emerging cross-border payment
8 or financial messaging systems;

9 (3) an assessment of the economic and national
10 security implications for the United States of
11 changes in participation by banks and state actors
12 in alternative cross-border payment and financial
13 messaging systems; and

14 (4) recommendations for actions—

15 (A) to bolster and protect the status of ex-
16 isting strong and reliable financial messaging
17 systems for cross-border payments; and

18 (B) to ensure that the national security in-
19 terests of the United States, including those re-
20 lated to enforcement of international anti-
21 money laundering, countering the financing of
22 terrorism, and sanctions standards, are pro-
23 tected.

1 (c) FORM OF REPORT.—The report required by sub-
2 section (a) shall be submitted in unclassified form but may
3 include a classified annex.

4 (d) APPROPRIATE CONGRESSIONAL COMMITTEES
5 DEFINED.—In this section, the term “appropriate con-
6 gressional committees” means—

7 (1) the Committee on Banking, Housing, and
8 Urban Affairs, the Committee on Foreign Relations,
9 and the Select Committee on Intelligence of the Sen-
10 ate; and

11 (2) the Committee on Financial Services, the
12 Committee on Foreign Affairs, and the Permanent
13 Select Committee on Intelligence of the House of
14 Representatives.

15 **SEC. 5307. REPORT ON DEVELOPMENT AND UTILIZATION**
16 **OF DUAL-USE TECHNOLOGIES BY THE GOV-**
17 **ERNMENT OF THE PEOPLE’S REPUBLIC OF**
18 **CHINA.**

19 (a) IN GENERAL.—Not later than 180 days after the
20 date of the enactment of this Act, the Secretary of State,
21 in coordination with the Secretary of Defense, the Sec-
22 retary of Commerce, the Secretary of Energy, and the Sec-
23 retary of the Treasury, shall submit to the appropriate
24 congressional committees a report that—

1 (1) assesses the Government of the People’s Re-
2 public of China’s development and utilization of
3 dual-use technologies (including robotics, artificial
4 intelligence and autonomous systems, facial recogni-
5 tion systems, quantum computing, cryptography,
6 space systems and satellites, 5G telecommunications,
7 and other digitally enabled technologies and services)
8 and the effects of such technologies on the national
9 security interests of the United States and allies of
10 the United States;

11 (2) assesses the Government of the People’s Re-
12 public of China’s use of global supply chains and
13 other international mechanisms to access foreign
14 technology sources to aid in the development of its
15 domestic dual-use technologies, including—

16 (A) the use of United States-sourced soft-
17 ware and hardware in Chinese manufactured
18 technologies;

19 (B) the use of European-sourced software
20 and hardware in Chinese manufactured tech-
21 nologies; and

22 (C) the use of the Belt and Road Initiative
23 to secure resources, knowledge, and other com-
24 ponents needed to develop critical dual-use tech-
25 nologies;

1 (3) assesses the Government of the People’s Re-
2 public of China’s industrial policy and monetary in-
3 vestments, including their effect on the development
4 of Chinese-made dual-use technologies;

5 (4) assesses the Government of the People’s Re-
6 public of China’s cyber espionage and the extent to
7 which such espionage has aided in China’s develop-
8 ment of dual-use technologies;

9 (5) describes the policies the United States
10 Government is adopting to protect the interests of
11 the United States with respect to dual-use tech-
12 nologies; and

13 (6) recommends additional actions the United
14 States Government should take to enhance the pro-
15 tection of such interests.

16 (b) APPROPRIATE CONGRESSIONAL COMMITTEES
17 DEFINED.—In this section, the term “appropriate con-
18 gressional committees” means—

19 (1) the Committee on Banking, Housing, and
20 Urban Affairs and the Committee on Foreign Rela-
21 tions of the Senate; and

22 (2) the Committee on Financial Services and
23 the Committee on Foreign Affairs of the House of
24 Representatives.

1 **SEC. 5308. REPORT ON CURRENCY ISSUES WITH RESPECT**
2 **TO THE PEOPLE'S REPUBLIC OF CHINA.**

3 The Secretary of the Treasury shall submit to Con-
4 gress a report analyzing the economic effects of the Peo-
5 ple's Republic of China's movement toward a free floating
6 currency, including the effects on United States exports
7 and economic growth and job creation in the United
8 States—

9 (1) not later than 180 days after the date of
10 enactment of this Act; and

11 (2) not later than 30 days after the submission
12 to Congress of each report on the macroeconomic
13 and currency exchange rate policies of countries that
14 are major trading partners of the United States re-
15 quired to be submitted under section 701 of the
16 Trade Facilitation and Trade Enforcement Act of
17 2015 (19 U.S.C. 4421) after the date specified in
18 paragraph (1).

19 **SEC. 5309. REPORT ON EXPOSURE OF THE UNITED STATES**
20 **TO THE FINANCIAL SYSTEM OF THE PEO-**
21 **PLE'S REPUBLIC OF CHINA.**

22 Not later than one year after the date of the enact-
23 ment of this Act, the Secretary of the Treasury, in con-
24 sultation with the Chairman of the Board of Governors
25 of the Federal Reserve System, the Chairman of the Secu-
26 rities and Exchange Commission, and the Chairman of the

1 Commodity Futures Trading Commission, shall submit to
2 Congress a report on the exposure of the United States
3 to the financial sector of the People's Republic of China
4 that includes—

5 (1) an assessment of the effects of reforms to
6 the financial sector of the People's Republic of
7 China on the United States and global financial sys-
8 tems;

9 (2) a description of the policies the United
10 States Government is adopting to protect the inter-
11 ests of the United States while the financial sector
12 of the People's Republic of China undergoes such re-
13 forms; and

14 (3) recommendations for additional actions the
15 United States Government should take to protect
16 such interests.

17 **SEC. 5310. REPORT ON INVESTMENT RECIPROCITY BE-**
18 **TWEEN THE UNITED STATES AND THE PEO-**
19 **PLE'S REPUBLIC OF CHINA.**

20 Not later than 180 days after the date of the enact-
21 ment of this Act, the Secretary of the Treasury, in con-
22 sultation with the Chairman of the Securities and Ex-
23 change Commission, shall submit to Congress a report on
24 investment reciprocity between the United States and the
25 People's Republic of China that includes—

1 (1) an identification of restrictions imposed by
2 the Government of the People's Republic of China
3 on United States investment in the People's Repub-
4 lic of China that are not comparable to restrictions
5 imposed by the United States on Chinese investment
6 in the United States; and

7 (2) recommendations for legislative or adminis-
8 trative action that would be necessary to ensure
9 that, on a reciprocal, sector-by-sector basis, there is
10 an equivalent level of market access for United
11 States investors to the market of the People's Re-
12 public of China as there is for Chinese investors to
13 the market of the United States.